



The voice of mid-size communications companies

December 5, 2016

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte* Communication: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

On December 1, 2016, Kevin Hess and Bob Debroux of TDS Telecommunications, and Genny Morelli and the undersigned of ITTA, met with Commissioner Michael O’Rielly and his Legal Advisor, Amy Bender, and separately with Claude Aiken of the Office of Commissioner Clyburn, regarding the above-captioned proceeding,¹ specifically, what measures should be adopted to address the high level of interest in the model-based support plan adopted in the *Rate-of-Return Reform Order*.²

ITTA expressed that while there is sound justification for the Commission to allocate sufficient additional funding for the A-CAM plan in order to overcome the entire budgetary shortfall, it understands that practical considerations may militate towards the Commission only allocating the additional \$50 million contemplated in the *Rate-of-Return Reform Order*.³ The benefits of funding the A-CAM plan fully, or as much as is currently practicable to make the A-CAM effective by the end of the year, are manifest. The broadband deployment it will lead to is a predicate to the fulfillment of other universal service goals, such as increased broadband adoption via the Lifeline program, or any measures to help eliminate the “homework gap.” In addition, the actual deployment return will far outweigh the incremental investment. TDS, for instance, estimated that if it were to receive full A-CAM funding, its building out to A-CAM funded locations will actually lead collaterally, via locations passed, to deployment to over *three times* the number of locations than are funded, *without such collateral deployment costing the USF an additional penny*.

¹ *Wireline Competition Bureau Announces Results of Rate-of-Return Carriers that Accepted Offer of Model Support*, Public Notice, DA 16-1246 (WCB Nov. 2, 2016).

² *See Connect America Fund; ETC Annual Reports and Certifications; Developing a Unified Intercarrier Compensation Regime*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 (2016) (*Rate-of-Return Reform Order*).

³ *See id.* at 3112, para. 62.

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Most importantly, the Commission, or the Wireline Competition Bureau on delegated authority, should act expeditiously such that the A-CAM plan can become effective no later than January 1, 2017.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs
Vice President, Regulatory Affairs

cc: The Hon. Michael O’Rielly
Amy Bender
Claude Aiken